Speech for Launch Ceremony of the Pasban Remittance Reward Scheme
September 21, 2026

Presidents and CEOs of banks,
Members of the Pakistan Banks Association
Distinguished guests, ladies and gentlemen
Assalam u alaikum and good afternoon

It gives me great pleasure to be here with you today for the launch of the Pasban Remittance Reward Scheme. As many of you would know, the State Bank and the Government have been working closely with the Pakistan Banks Association over the past few months to develop a self-sustaining remittance scheme that can continue to facilitate, encourage and attract workers' remittances from overseas Pakistanis through formal channels.

This was vital as workers' remittances are the backbone of millions of families across Pakistan. They help meet household expenditures, support education and healthcare, and provide resources for investment and economic opportunity. I am therefore delighted that the Government and the private sector have reached an agreement for a workable framework. Through this initiative, we can collectively support our hardworking overseas Pakistanis in continuing to send their hard-earned money home through channels that are safe, timely, and cost-effective.

Ladies and gentlemen,
Before turning to the salient features of the Pasban Remittance Reward Scheme, let me first set out the macroeconomic context in which we are launching the scheme.

Over the past few years, Pakistan's economy has witnessed a remarkable turnaround, despite successive global and domestic shocks. From devastating floods to tariff-related uncertainty, and more recently, the significant increase in global commodity prices, we have faced more than our fair share of challenges.

Yet, importantly, we have emerged stronger and more resilient after each of these episodes. As I have discussed with you on previous occasions, the Government and the State Bank took a number of difficult but necessary measures over the past three years to stabilize the economy and strengthen its resilience to external shocks. The State Bank pursued a prudent monetary policy stance, while the Government remained steadfast in fiscal consolidation. This prudent monetary and fiscal policy mix has helped to keep demand-side pressures in check and establish a more stable macroeconomic environment that is supporting sustainable economic growth.

Inflation, for instance, remains well below the elevated levels witnessed in the past, including in the aftermath of the Russia-Ukraine war. Headline inflation averaged 7.1 percent in FY26, only marginally above our medium-term target range of 5 to 7 percent, despite the significant increase in global energy prices following the outbreak of the Middle East conflict in February. Inflation has subsequently risen, reaching 11.1 percent in August. However, we expect these pressures to moderate over the coming months, supported by relatively contained inflation expectations. For the full year, we project inflation to remain in the range of 5.5 to 7.5 percent. At the same time, real GDP growth reached 3.7 percent in FY26, and we project growth to be higher in FY27, in the range of 3.5 to 4.5 percent in FY27.

Our external account has also become considerably more resilient. The current account was broadly balanced in FY26, recording only a modest deficit. For FY27 as well, we expect the current account deficit to remain low, within 0 to 1 percent of GDP. More importantly, our FX buffers have been strengthened faster than our own targeted path and the path projected under the IMF program. And I am sure you can recall that our FX reserves fell to below US$3.0 billion in February 2023. Currently, SBP's FX reserves stand at US$21.4 billion, already surpassing the IMF's projection for June 2027. Moreover, we have also reduced SBP's FX liabilities from US$5.7 billion in February 2023 to around US$700 million as of now. And most importantly,

unlike the past, this continued and significant improvement in FX buffers mainly comes from SBP's FX purchases from the market, rather than an increase in external debt.

These improvements are also reflected in the recent upgrade in our sovereign credit ratings by both Moody's and S&P. Also, Pakistan has regained access to international capital markets and diversified its sources of external financing. In May, we issued our first-ever Panda Bond in China's onshore renminbi market. And a few weeks ago, we raised US$3 billion from Eurobonds at extremely competitive rates.

Ladies and gentlemen,

A key driver of this stronger external position has been the remarkable performance of workers' remittances.

In FY26, remittances reached an all-time high of $41.6 billion, up from $21.7 billion in FY19. In other words, our remittance inflows have nearly doubled in just seven years. The momentum continues into FY27, with $7.3 billion received in the first two months of the year, and our assessment indicates full-year inflows of $44 billion.

These are not merely statistics. Behind every dollar sent home is an overseas Pakistani supporting a family, paying for a child's education, meeting a medical need, building a home, or starting a business. These flows reflect a deep commitment of the emigrant to their loved ones and to Pakistan. On behalf of the State Bank and the nation, I want to say to our diaspora: a big thank you.

I also want to highlight that this achievement did not happen by chance. It reflects the sustained and coordinated efforts of the government, the State Bank, the Pakistan Remittance Initiative, and our financial services industry.

Recognizing the importance of remittances, the Government introduced Home Remittance Incentive Schemes to encourage the use of formal channels. These schemes helped develop the market, brought more financial institutions into the ecosystem, expanded our domestic and global reach, and strengthened the infrastructure needed to process growing volumes.

As volumes grew, so did the cost of these schemes. The Government and the State Bank therefore undertook a planned, gradual phase-out of government-funded schemes, and moved toward a more sustainable, market-oriented model. We coordinated this transition closely with the Pakistan Banks Association, mindful of the need to preserve the momentum in remittances and keep formal channels attractive.

That transition succeeded because of the strong support of our banks. Since July 1, 2026, banks have been providing home remittance services to remitters and beneficiaries without charging any fees, absorbing those costs themselves. I want to place on record our appreciation for the banking industry's continued commitment to strengthening formal remittance channels.

That brings me to why we are here today.

At a press conference in July, we promised that the State Bank, with the support of the banking industry, would bring forward an attractive reward scheme for remittance-senders, one that recognizes and appreciates their loyalty to formal channels. Over the past two months, SBP and the banking industry, through the PBA, have worked closely to deliver on that commitment. I am pleased to announce the result: the Pasban Remittance Reward Scheme.

Under this initiative, beneficiaries who receive home remittances in their bank accounts will have the chance to win high-value cash prizes through quarterly draws. The initiative is funded entirely by the banking industry. It will offer more than 10,000 cash prizes every year, with total prize money of Rs16 billion. The first prize is Rs100 million, alongside a range of other significant cash prizes.

The scheme becomes operational on October 1, 2026, and the first draw will be held on January 15, 2027, for the October-December quarter. The draw process will be secure, fully digital, and auditable, so that winners are selected fairly and transparently.

The purpose of Pasban goes beyond the prizes. It is meant to recognize the loyalty of remittance-senders and to encourage the continued use of formal channels. With Pasban, we want to reinforce a simple message – sending and receiving money through safe, regulated, and transparent channels is good for your family and good for our country.

As I conclude, I would again like to thank our banks and the PBA for your partnership and your commitment to this national cause. I also want to congratulate everyone who worked to bring this initiative to life.

Thank you for your time.